



# QSL MARKET UPDATE



28 February 2024

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## Weekly Market Overview

### Indicative ICE 11 Prices

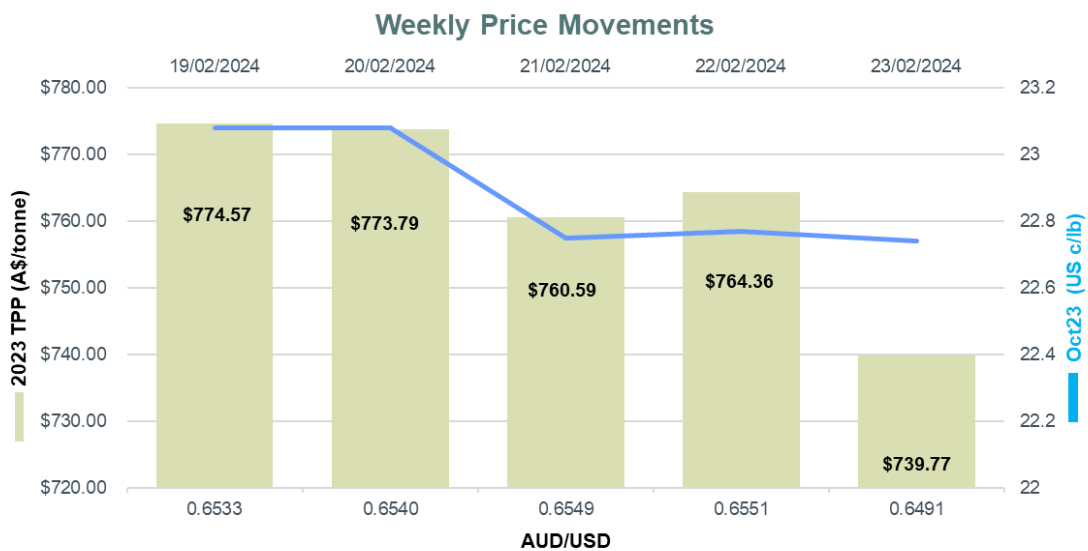
Season	AUD/MT*	Weekly Change
2023	727.66	-6.06%
2024	718.92	-3.37%
2025	673.13	-2.27%
2026	625.23	-1.81%

*\* These figures are indicative of available ICE 11 prices as at 26 February 2024 and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE 11 Exchange and/or other Marketers of Growers' Economic Interest in Sugar. Values also do not account for any adjustments resulting from local Grower-Miller pricing arrangements.*

- **Overview:** The raw sugar futures market continued its bearish run as the market reacted to recent rain in Brazil and increased sugar production out of India. The prompt March 2024 ICE 11 contract traded from a high of 23.08 USc/lb on the Tuesday, down to a low of 22.11 USc/lb on the Thursday.
- **Thailand:** As at 15 February, all mills in Thailand were operational, however it has been reported more recently that two mills have since completed operations for the current season. As at 15 February, 64.5 million tonnes of cane had been crushed, down 2.7

million tonnes year-on-year. Sugar production is also down 12.5% from last year, with 6.59 million tonnes of sugar produced in the reporting period. Despite season-to-date figures, a recent crop forecast suggests that Thailand may cut more cane than initially expected which has had a bearish influence over the past week.

- India:** It has been announced that growers in India are set to receive an increase in pay from the 2024/25 Season. Growers are currently paid 315 Indian Rupees per quintal (approximately \$58 per tonne of cane) which is set to increase to 340 Indian Rupees per quintal (\$63 per tonne of cane). However growers are fighting to increase the cane price further to 370 Indian Rupees per quintal (\$68 per tonne cane) as they battle input costs and struggle to meet the recovery rate (CCS) of 10.25%.
- Commitment of Traders:** The ICE 11 Commitment of Traders report as of 20 February reported a larger-than-expected reduction of 10,800 contracts. Speculators are currently holding a 22,700 net long position.



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## Currency

- **Overview:** The AUD continued to trade within a 65 US cent range last week, as little fundamental news came to light. The AUD traded from a low of 65.21 US cents on the Tuesday, up to a high of 65.95 US cents on the Thursday.
- **FOMC:** The Federal Open Market Committee (FOMC) released the minutes from its most recent meeting which were in line with market expectations. Many committee members conveyed a hawkish outlook due to recent inflation numbers, however they are maintaining their view that rate cuts will come this year. The FOMC will focus on 1-month and 3-month inflation trends as guidance.
- **Wages:** The Q4 Wage Price Index (WPI) reported a quarter-on-quarter increase of 0.9%, and a year-on-year rise of 4.2%, aligning closely with anticipated figures. Notably, real wage growth has shifted into positive territory for the first time since Q1 2021, registering a modest 0.1% year-on-year increase.

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